

First Quarter Report 2005

Good start into the new year

Ladies and Gentlemen

Our first quarter results again demonstrate our strong position in the analog semiconductor market, our clear focus on profitable growth and the good demand for our products worldwide.

The first quarter 2005 shows the continuing growth of our business with increases in revenues and earnings compared to the previous year. Consolidated group revenues grew to EUR 35.2 million from EUR 32.3 million in the same quarter in 2004. Our gross margin for the first quarter reached 43% like in the same period last year. The result from operations (EBIT) for the first quarter increased strongly to EUR 4.1 million, rising 78% compared to the same quarter last year. The net result for the first quarter moved up significantly to EUR 2.9 million from EUR 1.6 million in the same period of 2004, an increase of 73%. Earnings per share for the first quarter 2005 were CHF 0.40 / EUR 0.26. Total backlog reached EUR 46.1 million on March 31, 2005 compared to EUR 47.0 million on March 31, 2004.

Our business units Industry & Medical, Communications and Automotive continue to be successful in the marketplace with our expanding range of high performance analog products. Our recently launched solutions for MP3-based portable audio players continue to receive strong market feedback. We announced a major strategic endorsement of our portable audio platform by PortalPlayer, the leading system supplier for the portable media player market. In addition, we are working together with XM Satellite, the leading satellite radio provider in the United States, on several projects for portable digital radio receivers. We were also able to gain additional high value projects with important market participants in our Industry & Medical and Automotive business units. As our international distribution network for standard products is starting to become operational, we are seeing increasing interest from distribution partners for our broad range of standard products including Standard Linear ICs. Partnering with industry leaders like Future Electronics and NuHorizons gives us a strong platform to address the global analog standard product market with interesting growth potential going forward.

We expect our business to continue its positive development and to grow in revenues and earnings in the current year. Based on available information, we anticipate full year revenue growth for 2005 of between 10 and 15% compared to last year, accompanied by substantial growth in earnings.

Key figures	EUR thousands (except earnings per share)	Q1 2005	Q1 2004	Q4 2004
Revenues		35,231	32,276	50,545
Gross margin in %		43%	43%	44%
Result from operations		4,082	2,296	9,379
Net income/loss		2,856	1,648	7,463
Basic = diluted earnings per share in CHF ¹⁾		0.40	0.29	1.04
Basic = diluted earnings per share in EUR ¹⁾		0.26	0.18	0.68
Total backlog		46,125	46,988	45,326

¹⁾ Earnings per share for Q1 2004 were adjusted to reflect share split effective April 15th 2004.
Earnings per share in CHF were converted using the average currency exchange rate for the respective periods.

Consolidated Profit and Loss Statement (unaudited)

EUR thousands (except earnings per share)	Q1 2005	Q1 2004
Revenue Products	29,685	27,631
Revenue Foundry & Other	5,546	4,645
Total revenues	35,231	32,276
Cost of sales	- 20,247	- 18,400
Gross profit	14,984	13,876
Gross margin in %	43%	43%
Research and development	- 6,717	- 6,437
Selling, general and administrative	- 5,932	- 5,920
Other operating income	1,790	924
Other operating expenses	- 44	- 147
Result from operations	4,082	2,296
Net financing costs	- 302	- 853
Income/loss before tax	3,781	1,443
Income tax expense	- 925	205
Net income/loss	2,856	1,648
Basic = diluted earnings per share in CHF ¹⁾	0.40	0.29
Basic = diluted earnings per share in EUR ¹⁾	0.26	0.18

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Consolidated Balance Sheet (unaudited)

EUR thousands	as of	March 31, 2005	December 31, 2004
Assets			
Cash and cash equivalents		15,010	17,323
Trade receivables		32,508	38,777
Inventories		30,729	28,460
Other receivables and assets		5,760	5,095
Total current assets		84,007	89,655
Property, plant and equipment		111,726	115,883
Intangible assets		10,713	11,200
Investments and securities		198	195
Deferred tax assets		31,659	32,580
Other long-term assets		60	60
Total non-current assets		154,356	159,919
Total assets		238,363	249,574
Liabilities and shareholders' equity			
Liabilities			
Interest-bearing loans and borrowings		34,139	34,408
Trade liabilities		13,626	21,571
Provisions		16,573	15,335
Other liabilities		9,471	14,064
Total current liabilities		73,809	85,377
Interest-bearing loans and borrowings		33,893	36,337
Employee benefits		8,065	7,837
Deferred government grants		5,703	5,928
Other long term liabilities		1,513	1,568
Total non-current liabilities		49,174	51,670
Shareholders' equity			
Issued capital		26,647	26,647
Share premium		91,417	91,417
Translation adjustment		- 107	- 104
Retained earnings		- 2,577	- 5,432
Total shareholders' equity and reserves		115,380	112,527
Total liabilities and shareholders' equity		238,363	249,574

Consolidated Cashflow Statement (unaudited)

EUR thousands	Q1 2005	Q1 2004
Operating activities		
Income/loss before tax	3,781	1,443
Depreciation (net of government grants)	5,538	5,400
Changes in employee benefits	228	228
Changes in other long-term liabilities	- 55	1,421
Net financing cost	302	853
Changes in current assets	3,319	1,899
Changes in short-term operating liabilities and provisions	- 7,992	312
Tax payments	- 5	- 7
Cash flows from operating activities	5,116	11,608
Investing activities		
Acquisition of intangibles, property, plant and equipment	- 4,388	- 3,130
Interest received	209	157
Cash flows from investing activities	- 4,179	- 2,973
Financing activities		
Proceeds from borrowings	1,750	0
Repayment of borrowings	- 4,254	- 4,762
Repayment of finance lease liabilities	- 216	- 66
Interest paid	- 531	- 1,178
Cash flows from financing activities	- 3,251	- 6,007
Net increase/decrease in cash and cash equivalents	- 2,313	2,628
Cash and cash equivalents at begin of period	17,323	7,674
Cash and cash equivalents at end of period	15,010	10,302

This report is also available in German. All figures are unaudited.

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